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UNCLAS SECTION 01 OF 10 TOKYO 000529

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#### ARTICLES:

- (1) Poll on Koizumi cabinet, political parties, LDP presidential race, Yasukuni Shrine, US beef

Questions & Answers

(Figures shown in percentage, rounded off. Parentheses denote the results of a survey conducted Dec. 17-18, 2005.)

Q: Do you support the Koizumi cabinet?

Yes	45	(50)
No	37	(33)

Q: Why? (One reason only. Left column for those marking "yes" on previous question, and right for those saying "no.")

The prime minister is Mr. Koizumi	10(12)	3 (3)
The prime minister is from the Liberal Democratic Party	5 (6)	4 (3)
From the aspect of policies	18(18)	21(18)
Because of the coalition government	3 (4)	5 (5)
No particular reason	7 (9)	4 (2)

Q: Which political party do you support now?

Liberal Democratic Party (LDP)	36	(41)
Democratic Party of Japan (DPJ or Minshuto)	16	(13)
New Komeito (NK)	3	(4)
Japanese Communist Party (JCP)	2	(2)
Social Democratic Party (SDP or Shaminto)	1	(1)
People's New Party (PNP or Kokumin Shinto)	0	(0)
New Party Nippon (NPN or Shinto Nippon)	0	(0)
Liberal League (LL or Jiyu Rengo)	0	(0)

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None	34	(33)
No answer (N/A) + don't know (D/K)	8	(6)

Q: Prime Minister Koizumi has indicated that he will step down in September when his term as LDP president is due to expire. Are you interested in the LDP presidential election to be held in September?

Yes	71
No	26

Q: What do you think the LDP presidential election should focus on? (One choice only)

Fiscal reconstruction, tax reform	28
Pensions, health care	45
Economic disparities	12
Diplomatic issues	10

Q: Who would you like to see become the next prime minister? Pick only one from among Diet members other than Mr. Koizumi.

Shinzo Abe	28
Yasuo Fukuda	5
Taro Aso	2
Seiji Maehara	1
Sadakazu Tanigaki	1
Ichiro Ozawa	1
Naoto Kan	1
Heizo Takenaka	1
Other politicians	3
N/A+D/K	57

Q: What do you think is most necessary for the next prime minister? (One choice only)

Leadership ability	35
Ideals, policy	46
Coordination ability	14

Q: Do you support Prime Minister Koizumi's diplomatic stance

toward China and South Korea?

Yes	34
No	52

Q: Do you think the LDP presidential election should focus on whether the next prime minister should visit Yasukuni Shrine?

Yes	46
No	46

Q: Would you like the next prime minister to visit Yasukuni Shrine?

Yes	28
No	46

Q: The government has reimposed the ban on US beef due to the discovery from imported US beef of a spinal column that should have been removed. Do you think the government's decision to ban US beef imports was appropriate?

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Yes	87
No	8

Q: In December last year, the government decided to lift the ban and resumed US beef imports. Do you think it was too early?

Yes	48
No	45

Q: The government has taken the position that it will allow imports of US beef from cattle aged 20 months or younger with specified risk materials removed. Do you think it all right to maintain this condition as is? Do you think it should be still stricter, or do you otherwise think it should be eased?

All right to maintain it as is	33
Impose still stricter conditions	57
Ease it	3

Q: Would you like to eat US beef if US beef imports are resumed again? (Parentheses denote the results of a previous survey taken in October 2005.)

Yes	30	(23)
No	62	(67)

Polling methodology: The survey was conducted Jan. 28-29 over the telephone on a computer-aided random digit dialing (RDD) basis. This RDD formula chooses persons for the survey from among all eligible voters throughout the nation on a three-stage random-sampling basis. Valid answers were obtained from 1,915 persons (57%).

(2) Spot poll on Koizumi cabinet, political parties, Livedoor scandal, stock trading, economic disparities

YOMIURI (Page 2) (Full)  
January 30, 2006

Questions & Answers  
(Figures shown in percentage.)

Q: Do you support the Koizumi cabinet?

Yes	52.0
No	36.1
Other answers (O/A)	4.0
No answer (N/A)	8.0

Q: Which political party do you support now?

Liberal Democratic Party (LDP)	38.9
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Democratic Party of Japan (DPJ or Minshuto)	17.2
New Komeito (NK)	3.1
Japanese Communist Party (JCP)	2.6
Social Democratic Party (SDP or Shaminto)	1.1
People's New Party (PNP or Kokumin Shinto)	0.1
New Party Nippon (NPN or Shinto Nippon)	0.1
Other political parties	---
None	34.6
N/A	2.2

Q: Takafumi Horie, former president of Livedoor Co., Ltd., and

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other Livedoor executives were recently arrested on suspicion of violating the Securities Exchange Law, which restricts stock trading. What do you think has brought about this scandal? Pick as many as you like from among those listed below.

Lack of business, corporate morals	73.2
Flaw in stock trading rules	57.0
Lack of functions to oversee the stock market and business corporations	63.7
Money-is-everything climate	66.5
Intensified competition resulting from deregulations	38.6
O/A	3.2
Nothing in particular (NIP)	1.0
N/A	3.6

Q: The Livedoor group has rapidly grown with stock trading and other practices that exploited legal loopholes. Do you think the stock market should be subject to strengthened restrictions and oversight?

Yes	62.7
Yes to a certain degree	8.7
No to a certain degree	4.1
No	14.4
N/A	10.2

Q: In last year's House of Representatives election, the LDP backed Horie who ran as an independent. Do you think it was appropriate?

Yes	22.1
Yes to a certain degree	7.8
No to a certain degree	8.0
No	48.8
N/A	13.3

Q: When it comes to the positive and negative aspects of what Horie has said and done over the past several years, which do you think was bigger to the Japanese society?

Positive aspect	29.2
Positive aspect to a certain degree	14.0
Negative aspect to a certain degree	13.1
Negative aspect	26.2
N/A	17.5

Q: Horie said, "Money can buy people's hearts." Do you agree to this way of thinking?

Yes	3.7
Yes to a certain degree	3.1
No to a certain degree	3.9
No	85.8
N/A	3.4

Q: Has your image of stock trading improved, worsened, or remains unchanged with the Livedoor case?

Improved	4.9
Worsened	32.9
Unchanged	51.9
N/A	10.3

Q: Some market players use any means to buy up a target company's stocks and sell them at the highest price only for a short-term gain. Do you think there is a problem about this way of investing?

Yes	63.4
Yes to a certain degree	6.9
No to a certain degree	3.3
No	16.1
N/A	10.4

Q: There is an opinion saying Japan is about to become a society of disparity with a handful of rich people called "winners" and the rest called "losers." Do you think that is true?

Yes	66.2
Yes to a certain degree	7.6
No to a certain degree	3.6
No	15.3
N/A	7.2

Q: Do you have stocks now? Have you ever owned stocks?

I have stocks at present	23.5
I used to have stocks in the past	15.5
I've never had any company's stocks	59.8
N/A	1.2

Q: (Only for those who answered "I have stocks at present" and "I used to have stocks in the past") Have you ever had stocks in Livedoor or its affiliate?

I have stocks at present	1.0
I used to have stocks in the past	2.0
I've never had its or its affiliate's stocks	96.8
N/A	0.2

Polling methodology: The survey was conducted Jan. 27-29 over the telephone with the aim of calling 1,000 voters across the nation on a computer-aided random digit dialing (RDD) basis. A total of 1,797 households with one or more voters were sampled, and valid answers were obtained from 1,051 persons (58.5%).

(3) Concern over bid-rigging involving defense officials affecting talks on realignment of US forces in Japan; DFAA reeling from arrests of senior officials

ASAHI (Page 21) (Excerpts)  
Evening, January 31, 2006

Following the arrests of three Defense Facilities Administration Agency (DFAA) officials, including technical councilor, the top official in charge of technical affairs at the agency, on suspicion of leading bid-rigging for a DFAA-sponsored project to install an air-conditioning system, the Defense Agency has been busy dealing with the incident, including the holding of an emergency internal meeting of senior officials from the early hours of Jan. 31. Japan-US talks are about to enter the home stretch, as they are scheduled to issue a final report on the realignment of the US forces in Japan before the end of March. In this process, the DFAA is playing a role of a control tower for coordinating the views of concerned local communities. There is concern about the possibility of the incident affecting the

finalization of the report, depending on how it will develop.

The raid on the DFAA by the special investigation unit of the Tokyo District Public Prosecutors Office started around 11:00 a.m. yesterday with eight prosecutors entering the agency building. One senior official said in dismay: "The timing is just terrible, because we must proceed now at a high pitch with

coordination of views with affected local communities on the realignment of US forces toward the end of March. But now we have no time to do so because of the incident this time. Its impact will be immeasurable."

The DFAA is the Defense Agency's external organ, which is responsible for the acquisition and management of bases and facilities of the Self-Defense Forces and the US forces in Japan. Its senior officials have been coordinating views with concerned local communities, by visiting local governments that host concerned military bases since an interim report on the realignment of US forces was released last October. DFAA Director General Iwao Kitahara has taken the lead in efforts to coordinate the views of local communities.

Kitahara traveled with Defense Agency Director General Fukushima Nukaga, when he visited Washington in mid-January to attend a meeting for the defense chiefs of the two countries to discuss the realignment of US forces. He has been thus out in the forefront in negotiations with the US. The arrests of the no. 3 DFAA official, the top person responsible for technical affairs, along with two other officials have now brought about the possibility of the incident developing into the issue of the responsibility of Kitahara.

(4) Iwakuni to poll residents in mid-March over US military realignment

ASAHI (Page 1) (Abridged)  
Eve., January 31, 2006

Yamaguchi Prefecture's Iwakuni Mayor Katsusuke Ihara has made up his mind to conduct a referendum of residents in March over whether to accept the planned redeployment of US carrier-borne fighter jets from the US Navy's Atsugi base to the US Marine Corps' Iwakuni base in the process of realigning US forces in Japan. The poll, if conducted, will be the first local referendum among the nation's base-hosting local municipalities over the US military realignment. The Japanese and US governments will work out a final report in late March at the earliest. However, the city is expected to poll its residents in mid-March. If the poll turns out to be a majority of votes against the redeployment, it will likely affect the ongoing realignment talks between the two governments.

The poll, if initiated by the mayor, can be implemented under a municipal ordinance. Ihara will lose his job as mayor on March 19 with the consolidation of municipalities involving Iwakuni City. He therefore wants to collect and convey local views again to the government before that.

(5) Nago mayoral race failed to focus on Futenma issue; Abe's comment on positive assessment of US force realignment irrelevant; State's fairness questionable

MAINICHI (Page 7) (Abridged)

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January 31, 2006

By Teruhisa Mitsumori of the Mainichi Shimbun Naha Bureau

Yoshikazu Shimabukuro, 59, who displays a flexible stance toward relocating US Marine Corps Futenma Air Station from Ginowan to the coast of Camp Schwab, has won the Nago mayoral election, defeating two anti-relocation candidates. As a person who covered the race, I have no intention of objecting to the voters' choice, but I cannot help feeling indescribable emptiness, either. It is because the planned Futenma relocation, the biggest campaign issue, was not discussed fairly and squarely.

I would like to sort out the circumstances of Nago. Besides the latest election, Nago had two mayoral races: one in February 1998 and another in February 2002. In both cases, the Futenma issue took center stage. In addition, a local referendum was held in December 1997. In other words, Nago citizens have been pressed to

make a decision on four occasions in just a little over eight years on a matter closely associated with national security. A man living in the Henoko district pointed out the looming anti-base sentiment, saying: "The base issue has split our family. Over the last nine years, influential business leaders, including those in the construction industry, have increased their voice in supporting the relocation plan, while the anti-base group has lost their voice."

"All three candidates have expressed their opposition (to the coastal plan), but we don't know who really spoke of their minds. We are tired of the relocation issue," another resident complained.

Henoko is situated about 10 kilometers from Nago's populous residential area. Possible damage from a relocated base is not really a concern to many Nago residents. A 51-year-old woman residing in the central part of the city noted, "We usually don't see any American servicemen around here. Henoko is far from here and we cannot regard the relocation issue as our own."

Shimabukuro, who was picked to replace incumbent Tateo Kishimoto, aligned with two other candidates in opposing the coastal plan. But Shimabukuro expressed his willingness to discuss changes to the plan with the government. At the same time, he reiterated his plan to confer with local residents, Mayor Kishimoto, and Gov. Inamine. He also put forward the government's package to revitalize the northern part of Okinawa that has created 500 jobs in Nago since 1999.

But Shimabukuro failed to speak of his own views throughout his campaigning, and that disappointed me. Although it was obvious to anyone that the government's package was a reward for accepting the Futenma relocation plan, Shimabukuro played up only the carrot. He did not spar with other two candidates on the base issue.

As a result, the limelight was stolen by the Department of Obstetrics and Gynecology of Okinawa Hokubu Hospital, which has been closed since April 2005 due to a lack of doctors. State Minister in Charge of Okinawa and Northern Territories Issues Yuriko Koike attended a convention of female supporters of Shimabukuro prior to the official kickoff of the election campaign, in which she pledged to send obstetricians to the Okinawa Hokubu Hospital by April from the National Defense

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Medical College Hospital. Her words won huge applause from about 1,000 Shimabukuro supporters in the hall. That moment, the Futenma issue was removed from center stage, as the Shimabukuro camp had planned.

Shimabukuro won 52.15% of the votes. He collected 1,381 more votes than the votes of other two candidates combined. But given the environment surrounding Nago citizens and what actually took place during the election campaign, how much the outcome reflected citizens' views on the relocation plan remains questionable. The outcome should be taken as a manifestation of Nago citizens' delicate feelings. Learning of Shimabukuro's victory, Chief Cabinet Secretary Shinzo Abe commented, "The Nago citizens have given positive assessment to our efforts to realign US bases." His view is irrelevant

As the next step, the government is expected to endeavor to convince local residents by presenting them with another economic revitalization package.

Okinawa's sentiment on the base issue has tremendously changed over the last decade. In 1995, the year anti-base sentiments soared following a schoolgirl rape incident, hardly anyone voiced their desire to transfer US bases to mainland Japan, reasoning, "Things we don't like should not be pressed on people on mainland Japan." The circumstances are different today. Okinawa residents are increasingly irritated with the deadlocked base issue and a lack of interest in the issue by people of mainland Japan.

Last year on the 10th anniversary of the 1995 pep rally that brought together 85,000 people, Ginowan hosted a rally, in which a housewife said, "People on mainland Japan should come to Okinawa to collect their baggage (US bases)." She won huge applause.

Okinawa's base issue has raised questions about Japan's fairness. Even if bilateral talks on US force realignment reached an agreement to return to Japan four bases, including Futenma Air Station, 70% of US facilities in Japan would remain in Okinawa. Okinawa has been bearing a tremendous burden over the last 60 years after the end of World War II. It is the government's responsibility to craft a long-term strategy to substantially reduce Okinawa's burden.

(6) US beef imports resumed without implementing Cabinet decision; LDP's awareness of food safety lax? Accountability downplayed

TOKYO SHIMBUN (Page 2) (Full)  
January 31, 2006

The government did not send an inspection mission to the United States before resuming imports of US beef as it had promised in a formal document submitted to the Diet. This issue has had a major impact on the ruling coalition's management of Diet affairs. Ignoring the demand by Minshuto (Democratic Party of Japan) that Agriculture, Forestry and Fisheries Minister Shoichi Nakagawa be dismissed, the ruling Liberal Democratic Party (LDP) tried to pass a fiscal 2005 extra budget through the House of Representatives as it had planned, but it failed to push it through the Lower House. The government's failure has damaged the credibility of the Cabinet decision and the formal document submitted to the Diet.

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The government stated in the formal document that it would dispatch inspectors to US facilities processing Japan-bound beef "before restarting US beef imports." It actually sent an inspection team to the US on Dec. 13 -- one day after it reopened the market on Dec. 12 or three days before the first US beef shipment arrived in Japan on Dec. 16.

The LDP asserted that there was no discrepancy in the contents of the formal document, with one senior Diet Affairs Committee member saying, "The formal document did not state that the government would send an inspection mission before making a decision." The LDP then explained that there was a change in the circumstance after the formal document had been submitted to the Diet and sought the understanding of the opposition.

The LDP's explanation raised a fresh question about whether inspecting US meal processing facilities after resuming imports is meaningful. If the government thought token inspections after opening the market would be enough, criticism is unavoidable for a lack of awareness of food safety.

In addition, the fact that Nakagawa's remarks swayed back and forth yesterday has become another problem for the LDP.

A senior LDP member made this sympathetic comment about Nakagawa, "I assume that Mr. Nakagawa did not read thoroughly the informal document as he returned home, wrapping up his overseas trip, just before the Diet session." One can say that the senior member's remarks indicate that the LDP does not necessarily place much priority on food safety.

With the discovery of specified risk materials in a US beef shipment, the Japanese public has been extremely concerned about the government's failure to inspect US beef processors. Therefore, Prime Minister Junichiro Koizumi, who is sensitive to public opinion, repeatedly said yesterday to senior LDP members and his Cabinet ministers, "You have to make explanations that will be easily understood by the public."



The opposition became upset about the fact that the government and ruling camp gave priority to the Diet schedule (rather than convincing them); as a result, the Diet stalled. The public might regard the uproar in the Diet as lack of accountability. Prior to deliberations on a fiscal 2006 budget, the price the ruling coalition has to pay will be high.

(7) In debate on widening gap in society, prime minister cites Gini coefficient

MAINICHI (Page 5) (Full)  
January 31, 2006

In the ongoing debate in the Diet on a widening gap in society, the Gini coefficient, an economic term that many are unfamiliar with, has become the focus of attention. Prime Minister Junichiro Koizumi has cited it as statistical data in taking issue with criticism from the opposition camp and the New Komeito of his reform initiatives as contributing to creating a society marked by a widening disparity between rich and poor. The Cabinet Office put together the data just before the current Diet session opened, in preparation for debate on the issue. As of now, the prime minister has dodged the criticism by showing statistics,

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but opposition parties have continued to pursue the prime minister's responsibility for a succession of recent scandals. In addition, they are stepping up efforts to show the public the negative impact of Koizumi's reforms by linking such scandals to the reform drive. Heated debate is likely to continue for a while.

During a House of Representatives Budget Committee meeting on Jan. 26, New Komeito member Isamu Ueda said: "We have realized that wealth discrepancy is widening." But the prime minister rejected his view, based on Gini coefficient, saying: "We learned Engel's coefficient but we hardly heard of the Gini coefficient."

The Gini coefficient expresses income differences by on a scale between 0 and 1. The closer the figure is to 0, the less of an income gap there is. The Internal Affairs Ministry and the Health, Labor, and Welfare Ministry showed in their respective numerical statements that the trend has been on a moderate upward trend since the latter half of the 1990s.

The Gini coefficient appeared in the monthly economic report released by the Cabinet Office on Jan. 19. Since then, the coefficient has been noted with attention. The monthly report explains that the rise in the coefficient is attributed to increases in the numbers of (1) elderly households, among which there are wide gaps in income levels; and (2) nuclear families and single-person households with a low income. The report stresses that the expansion of income discrepancies is a "superficial" phenomenon. The Cabinet Office's estimate shows a drop in the Gini coefficient from about 0.28 in 2001 to about 0.27 in 2004.

Even so, since government ministries' statistics give different results due to different survey methods, only numerical figures in 2004 and before were presented. Given this, the Cabinet Office report concluded: "An widening of income differences cannot be confirmed."

Meanwhile, an opinion poll conducted by the Mainichi Shimbun last December showed that 64% of respondents replied: "Japan is gradually becoming a society marked by a widening disparity between rich and poor." Asked about their own living standard on a scale of 1 to 5, two-thirds of respondents picked one of the lower three brackets.

In pursuing the Koizumi administration on the issue of widening income discrepancies, the opposition camp and the New Komeito cite awareness surveys, like the one by the Mainichi Shimbun, and views directly solicited from voters. Democratic Party of Japan leader Seiji Maehara commented: "An increasing number of people have begun to feel that the Koizumi reform plans are unfair."

Even ruling party members, such as the Liberal Democratic Party's House of Councillors Caucus Chairman Mikio Aoki and New Komeito head Takenori Kanzaki, have echoed criticism of the Koizumi reform initiatives. The government therefore has to be cautious about Diet replies, as was the case when Finance Minister Sadakazu Tanigaki said: "If there is pain, we must carefully check from where the pain comes."

SCHIEFFER